

IBA REVIEW OF MAYOR'S FISCAL YEAR 2008 PROPOSED BUDGET

MAYOR'S "SIGNIFICANT AREAS"	AMOUNT	IBA POSITION/REMARKS
Pension Funding:		Agree, this is optional for FY08 but prudent, 20 year amortization required for FY09.
ARC	\$137.7 M	
ARC+	20.0 M	
Retiree Health Payback	7.3 M	
IRS Payback	0.5 M	
Offset Contribution	19.2 M	
Total	\$184.7 M	
Retiree Health:		Agree, \$5.0M for Trust in FY07 Budget – when will Trust be established?
Pay As You Go	\$ 23.1 M	
Trust Fund	25.0 M	
Total	\$ 48.1 M	
Deferred Maintenance:		Agree, pending development of contingency plan to projects tied to land sales and Council approval of strategy on 5/21/07; projects need to be prioritized; inclusion of bond proceeds still under review by IBA.
Cash	\$ 13.2M	
Property Sales	15.3 M	
Bond Proceeds	24.8 M	
Total	\$ 53.3 M	
Reserves 6% of General Fund	\$ 66.1 M	Agree, need Reserves Policy.

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Position Reductions:		Agree for FT, majority are vacancy reductions. Disagree with assessment of "no service level impacts." Disagree for PT – monies are not being reduced, positions are being removed from FTE count and from budget document. Lacks transparency/will reflect inaccurate FTE count/lose ability to accurately benchmark or analyze historical trends.
All Funds:	\$ uncertain	
671.5 full time		
177.3 part time FTE		
General Fund:		
296.1 full time	\$ uncertain	
170.0 part time FTE		
Business Process Reengineering (BPR)	\$ uncertain	Reductions are reflected in position counts above. IBA has confirmed 16.7 General Fund and 208.4 for All Funds. Others are vacancy reductions or tied to workload reductions. BPR process improvements also needed.
385.7 All Funds*		
71.9 General Fund		
Managed Competition	N/A	Schedule for Managed Competition process is uncertain, savings likely captured in BPRs.

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* Represents BPRs for Fleet Services, MWWD, Publishing, Streets, Engineering and Capital Projects, Police and Development Services.